

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Ind., & Com., Dept.,- Administrative sanction for construction of phase-I Infrastructure Development works of AMTZ, Visakhapatnam for an amount of Rs.386.58 crores (including taxes and retention money), executed by M/s. Power Mech BSCPL Consortium Pvt. Ltd.,- Post facto approval - Orders - Issued.

INDUSTRIES & COMMERCE (PROG-I) DEPARTMENT

G.O.Rt.No.67

Dated:14.03.2024
Read the following:

1. G.O.Ms.No.10, HM&FW (H.2) Dept., dt.20.01.2016.
2. G.O.Ms.No.29, HM&FW (H.2) Dept., Dt.30.03.2016.
3. G.O.Ms.No.272, Revenue (Assn-II) Dept., dt:01.07.2016.
4. G.O.Ms.No.398, Revenue (REGN.I) Dept., dt:17.08.2016.
5. G.O.Ms.No.395, Revenue (Assn-II) Dept., Dt.05.09.2017.
6. Minutes of the 7th Board Meeting of AMTZ held on 22.11.2017.
7. G.O.Ms.No.147, GA(Cabinet-II) Dept., dt.28.11.2019.
8. From the MD&CEO, AMTZ, letters No. AMTZ/2018-19/MD&CEO/364(A), Dt.26.03.2020 and letter No. AMTZ/2018-19/MD&CEO/384, Dt.16.06.2020.
9. From ED, APIIC, letter No. CE/APIIC/SPZ/VSP/AMTZ/2020-21, Dt.03.09.2020.
10. From the MD&CEO, AMTZ, letter no. AMTZ/2019-20/MD&CEO/430, Dt.23.09.2020.
11. Govt. Memo. No.INC01/56/2020-PROG-I Dt. 11/09/2022.
12. Letter received from the Chief Engineer, AP Maritime Board, Vijayawada, letter No.CE/APMB/AMTZ/2022, Dt.11.11.2022.
13. G.O.Rt.No.210, I&C(Prog.I) Deptt., Dt.22-12-2022.
14. Letter received from the Chief Financial Officer, AMTZ, letter no. AMTZ/2022-23/FIN/Gov.Corr/015, Dt. 22.12.2022.
15. From the MD&CEO, AMTZ, letter No. AMTZ/FIN/Gov.Corr/2023-24/0014, Dt.14.07.2023 received through e-mail, dt.14.07.2023.

ORDER:

In the reference 1st read above, Government have established a Special Purpose Vehicle (SPV) for medical devices manufacturing park and the SPV will execute its business through an executive committee comprising Chief Secretary as the Chairperson.

2. In the reference 2nd read above, Government have established Medical Technology Manufacturing Park at Visakhapatnam, with registration of "Special Purpose Vehicle (SPV)" for this project as a Public Limited Company to administer the project in Health department and the SPV has Board of Directors with Prl. Secretary, HM &FW Department as Chairperson.

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3. In the reference 3rd read above, Government have issued orders for transfer of Government land to an extent of Ac. 204.46 cents in Sy.No.480/2 in Nadupuru (V), Pedagantyada(M) in favour of Medical and Health Dept., for establishment of Medical Technology Manufacturing Park on free of cost subject to certain conditions and a notification was issued for exemption of Stamp Duty and Registration Fee in favour of the park vide reference 4th read above and also allotted land to an extent of Ac.66.25 cents in Sy.No.480/1 to the park on free of cost in the reference 5th read above.

4. In the reference 6th read above, the AP Med-Tech Zone, Visakhapatnam, entrusted the phase-1 construction works to M/s. Power Mech BSCPL Consortium Pvt. Ltd., through the tender process as per the decision of the Board Meeting. Subsequently, an agreement of contract was entered between AMTZ and M/s. Power Mech BSCPL Consortium Pvt. Ltd.

5. In the reference 7th read above, the subject matter of A.P. Med Tech Zone (AMTZ) was transferred from the HM&FW Dept., to the Industries, Infrastructure, Investment and Commerce Department. As verified from the records /files received from the HM&FW Department no administrative sanction orders were issued for the total project cost towards the construction of Infrastructure Development works under Phase-1 of AMTZ.

6. In the reference 8th and 9th read above, the MD&CEO, AMTZ and ED, APIIC have submitted the bills for total amount of Rs.62.46 cores for payment to the contractor M/s. Power Mech BSCPL Consortium Pvt. Ltd., towards the construction of Infrastructure Development works under Phase-1 of AMTZ at Visakhapatnam and requested to take further action in the matter.

7. Further, in the reference 10th read above, the MD&CEO, AMTZ while stating the status of works completed, has stated that the total project cost is Rs.386.58 crores (including taxes) and the net payment due is as follows:

Particulars	Amount (Rs. Crs.)
Total value of works taken up (incl. taxes)	386.58
Net Payable to contractor	345.96
Less: Net payments made	283.50
Balance payments pending	62.46

8. In the reference 11th read above, the Chief Engineer, A.P. Maritime Board, Vijayawada was directed to verify the entire process including the sanction, the preparation of estimates, the tendering process for the phase-1 construction works entrusted to M/s. PMBSCPL Ltd., and the contractual agreement and the measurement of the works completed by the Contractor and furnish the factual report to Government within a period of 10 days to examine and to take decision on payments due to the Contractor.

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9. In the reference 12th read above, the Chief Engineer, A.P. Maritime Board has stated that, the team of Engineers from A.P. Maritime Board along with representatives from the AMTZ & M/s. PMBSCPL has inspected the infrastructure development works of AMTZ and stated that the total value of work as per RA-19 (Final) bill recommended by AMTZ is Rs.327,68,97,210/- excluding GST. The amount arrived as per the statement by APMB team is Rs.327,68,96,373/- excluding GST. Accordingly, the AMTZ may make balance payment due to the contractor duly deducting the already paid amount and statutory deductions subject to release of retention money after rectification of the defects of the CC Road pavement.

10. In the reference 13th read above, Government have issued administrative sanction for an amount of Rs.62.46 crores under the HoA 2875-60-800-11-SH(17)-310/312-Other Grants in Aid in relaxation of quarterly regulations to the AMTZ Ltd., Visakhapatnam to clear the outstanding bills of M/s. Power Mech BSCPL Consortium Pvt. Ltd., for Construction of Infrastructure Development Works of A.P. Med Tech Zone, Visakhapatnam.

11. In the reference 14th read above, the Chief Financial Officer, AMTZ has informed that as per the agreement retention amount to be released after completion of Defect Liability Period of 2 years and the same was completed and contractor submitted letter of DLP and requested the Government to release an amount of Rs.33,97,38,971/- (Retention money of Rs.32,76,13,419/- and IT TDS & GST TDS of Rs.1,21,25,372/-) to clear outstanding bill payment to M/s. PMBSCPL Consortium Ltd., towards Phase-I construction project at AMTZ campus, Visakhapatnam.

12. In the reference 15th read above, as per the information furnished by the MD&CEO., AMTZ, the summery of the Phase-I construction works of AMTZ executed by M/s. Power Mech BSCPL Consortium Pvt. Ltd., and the amounts released/ outstanding are detailed below:

Sl. No.	Particulars	Amount
1	Project cost as per contract (with GST)	Rs.419,99,51,454/-
2	Value of work certified	Rs.327,61,34,182/-
3	(+) GST @18%	Rs. 58,97,04,153/-
4	Total value with GST (A)	Rs.386,58,38,335/-
5	Net payment made to the contractor	Rs.344,75,21,103/-
6	(+) IT TDS	Rs. 4,07,71,617/-
7	(+) GST TDS	Rs. 3,78,06,825/-
8	Gross payment made to the contractor (B)	Rs.352,60,99,545/-
9	Balance to be paid to the contractor (10% retention money amount and IT TDS + GST TDS amount) (A-B)	Rs. 33,97,38,791/-

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13. Government, after careful examination of the matter and considering that phase-I construction works of AMTZ were already completed by M/s. PMBCL, and the payments were already made by the Government through HM&FW Department and Industries & Commerce Department the Government has decided to regulate these works and accordingly, hereby accord Post facto administrative sanction for an amount of Rs.386.58 crores (including taxes and retention money) towards construction of phase-I Infrastructure Development works at AMTZ, Visakhapatnam.

14. The MD&CEO, AMTZ shall take further necessary action in the matter.

15. The remarks of the Finance Department have been taken several times and the latest remarks obtained vide their U.O.No. FIN01-FMU0ASD(IC)/185/2020-FMU-IIEIC, (Computer No.1246621), Dt.07/03/2024.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To

The Managing Director & Chief Executive Officer,
Andhra Pradesh Med-Tech Zone, Visakhapatnam.

Copy to:

The Finance Department.

The Health, Medical & Family Welfare Department.

The P.S. to Spl. Chief Secretary to CM.

The P.S. to Hon'ble Minister for Industries.

The P.S. to Secretary to Government & CIP.

Sf/Sc (Computer No.1187415)

// FORWARDED :: BY ORDER//

B. Radha
SECTION OFFICER